COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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The Berkshire Gas Company	)	D.T.E. 01-56
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DIVISION OF ENERGY RESOURCES' SECOND SET OF DOCUMENTS AND INFORMATION REQUESTS

Instructions

For the purpose of the Massachusetts Division of Energy Resources' ("DOER") Second Set of Documents and Information Requests ("Requests"), any reference to the "Company" or "Berkshire" shall mean Berkshire Gas Company. Any reference to "Affiliate(s)" shall mean New York State Electric and Gas Corporation (NYSEG), Connecticut Natural Gas Corporation (CNG), Southern Connecticut Gas Company (SGC), Berkshire Propane, and Berkshire Service Solutions.

In responding to these Requests, DOER requests that Berkshire please provide complete and detailed responses to all questions. DOER also requests that Berkshire provide all relevant documentation[1] required to support/substantiate the Responses.

[1] "Documentation" includes, but is not limited to, writings, drawings, graphs, charts, photographs, phono-records, and other data compilations from which information can be obtained, translated, if necessary, by Berkshire Gas Company, through detection devices, into reasonably useable form.

Please provide each response on a separate page with the following:

1) a reference to the DTE docket number;
2) a recitation of the information request to which the Berkshire answer responds (including the information request identification/reference number – e.g. DOER 2-1), and;
3) The identification and business title and address of the person responsible for the response.

In order to expedite the review of the responses, please provide the responses as they are completed. Please do not wait for the completion of all responses.

DOER also requests that Berkshire provide supplemental responses to these Requests if Berkshire develops or obtains additional information within the scope of said Requests subsequent to the provision of Berkshire's initial response and prior to the close of the record in DTE 01-56.

If any of these Requests are ambiguous or need clarification in any way, please notify Carol R. Wasserman, Division of Energy Resources, at 617-727-4732 ext. 126 in order to clarify the Request(s) prior to the preparing the response.

DOER-2-1: Referring to Berkshire's response to Information Request DOER 1-2, explain whether the three costs collected through the CGAC that are affected by the Company's proposal; LPLNG, DAFP and BD; will remain fixed in the CGAC until the next rate case. If not, does the Company propose to track these costs and vary them as incurred over time?

DOER-2-2: Please provide a response to the following hypothetical question regarding the proposed Market-Based Allocation (MBA) method: A natural gas distribution company has only two customers and one gas supply. Customer One consumes 1 MMBtu/day, May – October, while Customer Two consumes 1 MMBtu/day, November – April. Supply A is for 1 MMBtu/day priced at $2/MMBtu and delivered for 365 days. How is the supply cost allocated between Customer One and Customer Two using the MBA method?

DOER-2-3: Referring to Berkshire's response to Information Request DOER -1-6, the Company states that, "if there is no change in the overall level of rates, then rate design changes might not necessarily occur either." Please describe all instances in which rate design changes may occur under the proposed Price Cap Mechanism (PCM) when the inflation index, productivity offset, exogenous costs and/or any applicable customer service penalties yield a total rate adjustment of 0%.

DOER-2-4: Referring to Berkshire's response to Information Request DOER -1-6, the Company states, "Rate design changes would be based on the approved cost of service study." Will the Company propose an updated cost of service study each May 15 when it files its annual PCM? If not, why not.

DOER-2-5: Please describe the basis for determining the proposed minimum threshold for the collection of individual exogenous costs ($10,000) where the aggregate annual revenue requirement is $50,000.

DOER-2-6: Referring to Berkshire's response to Information Request DOER -1-11, please explain why Capacity Release margins were 250% higher and Interruptible Sales were 50% lower in 2000 than in 1999. Also, were any of the Company's capacity releases in 2000 made to parties that were interruptible sales customers in 1999? If so, please identify these transactions.

DOER-2-7: Referring to Berkshire's response to Information Request DOER -1-11, please explain why some margins made on interruptible transportation and sales were retained by shareholders in 2000 when it appears from the response that annual benchmarks were not attained.

DOER-2-8: Does the Company's proposed PCM Terms and Conditions allow it to defer certain exogenous costs and propose collection in subsequent years?

DOER-2-9: The Company's response to DOER-1-20 states, "allowing it (the Company) to recover the costs associated with DSM programs and the lost revenues through an "exogenous cost" mechanism is an important part of achieving that distinct policy goal." Does the Company's proposed PCM Terms and Conditions allow it to propose collection of lost revenues as an exogenous cost and outside of the LDAC? If so, please identify and explain the Department's precedent for allowing such.

DOER-2-10: If the Company's proposed PCM had been in effect since its last rate case, for each year through the present, what would have been the percentage total rate adjustments, given that exogenous costs and service quality penalties were zero?

DOER-2-11: Please respond to the following hypothetical examples:

(A) The Company's rate case is approved as filed and its initial PCM filing reveals a total rate adjustment percentage of 0%. Please describe all rate design changes the Company would propose to make in the initial PCM filing. (Assume normal weather.)

(B) The Company's rate case is approved as filed and its initial PCM filing reveals a total rate adjustment percentage of 1%. Please describe all rate design changes the Company would propose to make in the initial PCM filing. (Assume normal weather.)

DOER-2-12: The Company's response to Information Request AG-1-60 states the environmental cleanup costs during the test year were $ 637,671 and reconciled through the LDAC. Please explain the difference in this response with that provided in the response to Information Request DOER-1-19 ($ 145,383 – LDAC Costs Removed).

DOER-2-13: What were the test year revenues and costs for providing the Load Management and Peaking Services? How and where are they reflected in the filing?

DOER-2-14: Please calculate, for each customer class, what the winter GAFs would be for the upcoming winter if the Department approves the Company's request to amend its CGAC.

DOER-2-15: Page 4 of the John J. Kruszyna testimony states the Company is seeking only an approximate 9% increase from its "cast off" rates, despite the fact that the Company has not sought base rate relief for nearly nine years. Please calculate the percentage increase in base rates requested by the Company. In addition, please calculate the percentage increase in rates requested by the Company exclusive of gas costs.